



Department of Energy

Washington, DC 20585

June 12, 2006

MEMORANDUM FOR DISTRIBUTION

FROM: RAYMOND L. ORBACH
UNDER SECRETARY FOR SCIENCE

A handwritten signature in dark ink, appearing to read "Raymond L. Orbach", is written over the printed name and title.

SUBJECT: Guidance for the Office of Science Laboratory Performance Appraisal Process

On May 9, 2005, I issued the Preliminary Guidance for the Office of Science Laboratory Performance Appraisal Process, which was utilized to launch our new process for the FY 2006 evaluation period. We also utilized the development of the FY 2005 performance evaluations to pilot our new process for reviewing and approving the annual performance evaluation reports and incentives issued to our laboratory contractors. This new process was developed in response to concerns and criticism over the years that our process was not sufficiently objective and transparent: scores were consistently too high, and sometimes inconsistent with our sense of the laboratory's performance; and incentives were poorly targeted and insufficient to motivate the contractor toward desired patterns of behavior.

The attached guidance has been finalized utilizing lessons learned from the development of the FY 2006 Performance Evaluation and Measurement Plans (PEMPs) and the development, review and approval of the FY 2005 Evaluation Reports, and is being issued for your immediate implementation. This new process increases comparability, consistency, and transparency; moves to better tailor incentives to motivate different types of contractors; and will generate better information for extend/compete decisions. You are therefore directed to utilize the attached procedures and guidance for the development of the PEMP for each laboratory; the evaluation methodology to be employed; the development of annual evaluation reports; and the process for their final review, approval, and issuance.

A general schedule for the completion of major steps in the PEMP development and evaluation process is provided as part of the attached guidance. Supplemental guidance shall be provided by the Laboratory Policy Division to identify any changes to Goals and/or Objectives; the grade and/or scoring methodology; fee or other incentive determination methodology; or any other changes to the guidelines as may be deemed necessary from time to time.



Should you have any questions regarding the attached guidance or require further information regarding this subject, please contact John LaBarge at (202) 586-9747 or Terry Davis at (509) 372-4612.

Attachment

cc:

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